

OVERSIGHT COMMITTEE
AUBURN SUCCESSOR AGENCY (Former Auburn Urban Development Authority)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE OVERSIGHT COMMITTEE FOR THE AUBURN
SUCCESSOR AGENCY WILL HOLD A MEETING

TIME 5:15 P. M., WEDNESDAY, FEBRUARY 27, 2013

ROSE ROOM
AUBURN CITY HALL
1225 LINCOLN WAY, AUBURN, CALIFORNIA

For information contact the Auburn City Clerk Telephone: (530) 823-4211, Ext. 112 – Fax:
(530) 885-5508

The Oversight Committee welcomes you to its meeting. Your interest is encouraged and appreciated. The Rose Room is wheelchair accessible and listening devices are available. Other special accommodations may be requested to the City Clerk 72 hours in advance of the meeting. Action may be taken on any agenda item. Please turn off all cell phones or similar devices. Staff reports and background information related to regular agenda items are available at City of Auburn City Hall, 1225 Lincoln Way, Auburn, CA 95603. Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 1225 Lincoln Way, Room 8, Auburn, CA 95603, during normal business hours.

AGENDA

A. CALL TO ORDER: (City Clerk)

PLEDGE OF ALLEGIANCE

ROLL CALL

B. AGENDA APPROVAL

The Oversight Committee reserves the right to hear items in a different order in order to accomplish business in the most efficient manner

C. APPROVAL OF MINUTES

1. Approval of Draft Minutes from Special Meeting of Oversight Board meeting of January 9, 2013

Recommendation: Approval of Minutes from the Special Meeting of the Oversight Committee for the Auburn Successor Agency of January 9, 2013.

- D. PUBLIC COMMENT** - There is a time limitation of three minutes per person. For any items that are not on the agenda and within the jurisdiction or interest of the City, please come to the podium at this time. If you wish to speak regarding a scheduled agenda item, please come to the podium when the item number and subject matter are announced. When recognized, please begin by providing your name and address for the record (optional). Anyone wishing to submit written information at the meeting needs to furnish ten (10) copies to the City Clerk in advance to allow for distribution to City Council, staff and the media.

E. ADMINISTRATIVE

2. Approval of Recognized Obligation Payment Schedule (ROPS 13-14A) for the period July 1, 2013 through December 31, 2013

Recommendation: Approve by **RESOLUTION** the Recognized Obligation Payment Schedule (ROPS 13-14A) for the Auburn Successor Agency for the period July 1, 2013 through December 31, 2013 pursuant to Health and Safety Code Section 34177 and authorize filling of the ROPS with the State Department of Finance, Placer County Auditor and posting on the City of Auburn web site.

3. Set next meeting date and time

F. ADJOURN

**Oversight Committee
Auburn Successor Agency (former AUDA)
January 9, 2013
REGULAR MEETING**

CALL TO ORDER

Chair Keith Nesbitt called the meeting to order at 5:15 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL:

Committee Members Present: Keith Nesbitt, Andy Heath, Curt Smith, Ron Martinez, Randy Swisley, Jerry Johnson, Jennifer Montgomery

Committee Members Absent: None

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Committee.

Approval of Minutes

By MOTION, approve the minutes of 12/12/2012.

MOTION: Montgomery/Johnson/ Unanimously approved.

Public Comment:

None

Administrative:

1. Approval of the Due Diligence Review Report for all Successor Agency Funds (except the Low and Moderate Income Housing Fund) issued by Smith & Newell CPA's on December 2, 2012.

Andy Heath presented this item. He said the public comment period was opened on December 2, 2012. He said he did not receive any comment during this period. He said this report is due to the state by January 15, 2013.

This item was opened up for public comment; there was no public comment.

By **RESOLUTION**, approve the Due Diligence Review of all other funds (except the Low and Moderate Income Housing Fund).

MOTION: Martinez/ Montgomery/ Approved 7:0

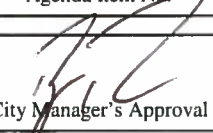
Andy Heath said the next meeting regarding the ROPS for the period of July-December of 2012 will be held in late February or early March.

Chair Keith Nesbitt adjourned the meeting, without objection, at 5:20 p.m.

Minutes submitted by:
Amy M. Lind, Deputy City Clerk



Report to the Oversight Committee

Action Item
Agenda Item No. E-2

City Manager's Approval

To: Honorable Members of the Oversight Committee for the Successor Agency to the Dissolved Auburn Urban Development Authority

From: Robert Richardson, City Manager
Andy Heath, Administrative Services Director

Date: February 27, 2013

Subject: Consideration of approving the Successor Agency's Recognized Obligation Payment Schedule pursuant to Health and Safety Code section 34177

The Issue

Shall the Oversight Committee approve the Successor Agency's Recognized Obligation Payment Schedule pursuant to Health and Safety Code section 34177?

Action Requested

It is recommended that the Oversight Committee, approve by **RESOLUTION** an update to the Recognized Obligation Payment Schedule (ROPS 13-14A) pursuant to Health and Safety Code section 34177.

Background

One of the primary functions of the Oversight Board is to approve the Recognized Obligation Schedule (ROPS). The ROPS represents the payment schedule for the former Auburn Urban Development Authority's (AUDA) obligations and includes operating costs to carry out those obligations and related activities of the Successor Agency. The City as the Successor Agency, and subsequently the Oversight Committee are required to have a ROPS adopted and distributed to required parties by March 1, 2013. Consideration by the Successor Agency of the ROPS is currently scheduled for the February 25, 2013 City Council Meeting.

The ROPS covers the time frame from July 1, 2013 through December 31, 2013 (ROPS 13-14A). A Committee approved ROPS is due to be submitted to the State and County Auditor by March 1, 2013. There are three basic issues to consider in reviewing the ROPS. The first is securing required reserves for debt service payments to ensure compliance with Bond Covenants. Second, is meeting other debt obligations and third is funding the operating costs. The ROPS includes both contractual obligations and the administrative budget for the Successor Agency.

Analysis

The City elected to become the successor agency to AUDA by Resolution No. 12-03, dated January 9, 2012. One of the responsibilities of the City, as successor agency, is to prepare a Recognized Obligation Payment Schedule (“ROPS”), which sets forth the nature, amount, and source(s) of payment of all “enforceable obligations” of AUDA (as defined by law) to be paid by the successor agency after AUDA’s dissolution, covering the forward-looking six month fiscal period.

The “enforceable obligations” listed in the ROPS may include the following: bonds; loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments required by the federal government, preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies; and amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency. However, the ROPS is to exclude pass-through payments to be made by the county after dissolution of AUDA and any agreements, contracts or arrangements between the City and AUDA, except any of the following agreements between the City and AUDA: (1) any written agreements between the City and AUDA entered into prior to December 31, 2010, solely for the purpose of securing or repaying indebtedness obligations to third parties; and (2) loan agreements entered into between the City and AUDA within two years of the date of creation of AUDA.

Pursuant to Health and Safety Code section 34177(1)(2), as modified by the Supreme Court’s opinion in the Legal Action, the City, as successor agency, is required to prepare the ROPS covering the period from July 1, 2013 through December 31, 2013, by March 1, 2013. Once approved by the Successor Agency and subsequently the Oversight Committee, the ROPS is finally submitted to the county auditor-controller, the State Controller’s office and the State Department of Finance, and posted on the City’s website.

The City, as successor agency, has prepared ROPS 13-14A covering the period from July 1, 2013 through December 31 2013, which is attached to this staff report for consideration and approval by the Oversight Committee.

Fiscal Impact

Staff costs associated with participation on the Oversight Committee are recoverable as part of the administrative cost allowance referenced in Health and Safety Code section 34171(b).

- Attachment:
1. Recognized Obligation Payment Schedule (ROPS) – 13-14A
 2. Oversight Committee Resolution Approving Successor Agency to the Dissolved AUDA's Initial Recognized Obligation Payment Schedule (ROPS)

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT COMMITTEE FOR THE SUCCESSOR AGENCY TO THE DISSOLVED AUBURN URBAN DEVELOPMENT AUTHORITY, APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2013 TO DECEMBER 31, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Auburn ("Successor Agency") elected to become the successor agency to the Auburn Urban Development Authority by Resolution No.12-03 on January 9, 2012; and

WHEREAS, Health and Safety Code Section 34179(e) requires all actions taken by the oversight board shall be adopted by resolution; and

WHEREAS, Health and Safety Code Section 34177(m)(1) requires that the successor agency complete the Recognized Obligation Payment Schedule in the manner provided by the Department of Finance; and

WHEREAS, Health and Safety Code Section 34177(m) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Placer County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website no fewer than 90 days before the date of the property tax distribution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT COMMITTEE FOR THE SUCCESSOR AGENCY TO THE AUBURN URBAN DEVELOPMENT AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the initial ROPS through this Resolution does not commit the Oversight Committee to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of ROPS. The Oversight Committee hereby approves the ROPS, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

Section 4. Transmittal of Draft of the ROPS. The City Manager for the City of Auburn as Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Approved ROPS, including submitting the Approved ROPS to the Placer County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

Section 5. Effectiveness. Pursuant to Health and Safety Code Section 34179(h), this Resolution shall take effect five business days after its adoption, unless review is requested by the Department of Finance.

PASSED, APPROVED AND ADOPTED this 27th day of February, 2013, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairperson

ATTEST:

City Clerk

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: AUBURN (PLACER)

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$8,664,334

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$329,948
C Administrative Allowance Funded with RPTTF	\$54,000
D Total RPTTF Funded (B + C = D)	\$383,948
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$383,948
F Enter Total Six-Month Anticipated RPTTF Funding	\$0
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	(\$383,948)

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$170,671
I Enter Actual Obligations Paid with RPTTF	\$127,623
J Enter Actual Administrative Expenses Paid with RPTTF	\$48,997
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$0
L Adjustment to RPTTF (D - K = L)	\$383,948

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,

I hereby certify that the above is a true and accurate Recognized

Obligation Payment Schedule for the above named agency.

/s/ 2/27/2013

Signature Date

Keith Nesbitt Chairman

Name Title

AUBURN (PLACER)

[illegible]

AUBURN (PLACER)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)

July 1, 2013 through December 31, 2013

am #	Project Name / Debt Obligation	Notes/Comments
1	2008 Tax Allocation Bonds	<p>When the Successor Agency prepared all ROPS preceeding ROPS 13-14A, an oversight occurred whereby the Successor Agency was initially under the impression that funds received from the County that covered ROPS II (July - December 2012) was for FY 2011-12 rather than FY 2012-13. This oversight occurred as a result of the Successor Agency receiving the full amount of ROPS II funds prior to the close of FY 2011-12 and then assuming that these funds related to obligation and administrative payments for that year (2011-12). Development of all ROPS assumed this oversight - a timing oversight - which results in what would have been an initial funding shortfall given the Successor Agency's approved EOPS and Admin charges. This adjustment (which may take several distributions to "true-up", will bring the Successor Agency whole whereby anticipated expenditures for a six-month period will be fully funded, making the use of the debt service reserve to pay semi-annual debt service, unnecessary. Until this obligation is fully funded, the Successor Agency may be required to borrow funds from the City to pay for obligations.</p> <p>This issue has been discussed with Zachary Stacy of the State Department of Finance, who recommended this course of action.</p>
2	Employee Costs - Administration	
3	Other Administrative Costs	
4	Debt Service Reserve Maintenance	